

APPENDIX B

**RECONCILIATION REQUIREMENTS FOR THE
ANNUAL FINANCIAL STATEMENTS**

★The following are the required reconciliations. Reconciliation does not mean that amounts must agree. The differences between the amounts; however, should have an identifiable cause and be supported. Timing differences are an example of an acceptable reconciling difference. The first section shows the reconciliations within the annual financial statements (i.e., Balance Sheet to Balance Sheet or Balance Sheet to Statement of Changes in Net Position). The next three sections of this appendix show the reconciliations between the annual financial statements and the Report on Budget Execution, the Accounting Report (M) 1307, and the Report on Reimbursements

(DD 725). The last section shows the reconciliations between selected accounts in support of the Statement of Net Cost and Statement of Financing.

In each section, the lines listed under the left column should equal the statements and lines listed under the right column. Special considerations will be noted at the beginning of a section as well as throughout the section.

Section I. Reconciliation Requirements for the Annual Financial Statements

Annual Financial Statement		Annual Financial Statement	
Balance Sheet		Balance Sheet	
Accounts Receivable	Line 1.C.	Federal Agencies' Centralized Trial-balance System (FACTS) accounts receivable from the public (attribute nonfederal). Also, reconcile with the receivables from the public in the annual "Report on Receivables Due From the Public."	
Balance Sheet		Balance Sheet	
Total Assets	Line 2	Total Liabilities and Net Position	Line 7
Statement of Changes in Net Position		Statement of Changes in Net Position	
Fiscal Year (FY) 2000 Net Position-Beginning of Period	Line 8	FY 1999 Net Position, End of Period	Line 9
FY 1999 Net Position-Beginning of Period	Line 8	FY 1998 Net Position, End of Period	Line 9
Statement of Budgetary Resources		Statement of Budgetary Resources	
Total Budgetary Resources	Line 1.F.	Total, Status of Budgetary Resources	Line 2.D.
Obligations Incurred	Line 2.A.	Obligations Incurred	Line 3.A.

Annual Financial Statement		Annual Financial Statement	
Spending Authority from Offsetting Collections	Line 1.D. Plus	Less: Spending Authority from Offsetting Collections and Adjustments	Less 3.B. (reverse sign) Plus SF-133 Line 6 (plus a minus number)
Adjustments Note: The adjustments included on line 12 are not the same as the adjustments on line 1.E. Line 3.B. does not include the accounts from the SF 133 lines 5 and 6.	Line 1.E.		
FY 2000 Unobligated Balance - Beginning of the Period	Line 1.B.	FY 1999 Unobligated Balances - Available FY 1999 Unobligated Balances - Not Available	Line 8 Plus Line 9
FY 1999 Unobligated Balance - Beginning	Line 2	FY 1998 Unobligated Balances - Available FY 1998 Unobligated Balances - Not Available	Line 8 Plus Line 9
FY 2000 Obligated Balance, Net - Beginning of Period	Line 3.C.	FY 1999 Less: Obligated Balance, Net – End of Period	Line 15 (reverse sign)
FY 1999 Obligated Balance, Net - Beginning of Period	Line 13	FY 1998 Less: Obligated Balance, Net – End of Period	Line 15 (reverse sign)
Balance Sheet		Statement of Changes in Net Position	
Total Net Position	Line 6	Net Position - End of Period	Line 9
Statement of Net Cost		Statement of Changes in Net Position	
Net Cost of Operations	Line 4	Net Cost of Operations	Line 1
Statement of Net Cost		Statement of Financing	
Net Cost of Operations	Line 4	Net Cost of Operations	Line 5
Statement of Changes in Net Position		Statement of Financing	
Net Cost of Operations	Line 1	Net Cost of Operations	Line 5
Statement of Budgetary Resources		Statement of Financing	
Obligations Incurred	Line 2.A.	Obligations Incurred	Line 1.A.
Statement of Budgetary Resources		Statement of Financing	
Less: Spending Authority from Offsetting Collections and Adjustments	Line 3.B.	Less: Spending Authority from Offsetting Collections and Adjustments	Line 1.B.

Annual Financial Statement		Annual Financial Statement	
Statement of Budgetary Resources		Balance Sheet	
This reconciliation does not apply to agencies reporting below the appropriation level and where the fund-holder does not allocate cash down to the individual agencies within that fund.			
Unobligated Balances - Available	Line 2.B. Plus	Fund Balance with Treasury	Line 1.A.1.
Unobligated Balances - Not Available	Line 2.C. plus		
Obligated Balance, Net - End of Period	Less 3.E. (reverse sign) Less		
Noncash budgetary authority such as Contract Authority and investments in Treasury securities	FMS 2108 Column 11, subline 911 931 941 971		

Section II. Reconciliation Requirements for the Statement of Budgetary Resources and the Report on Budget Execution (SF-133) (General Fund and Working Capital Fund Reporting Entities)

Statement of Budgetary Resources		Report on Budget Execution (SF-133)	
Budget Authority	Line 1.A.	Budget Authority	Line 1
Unobligated Balance - Beginning of Period	Line 1.B.	Unobligated Balance	Line 2.A.
Net Transfers Prior-Year Balance, Actual (+/-)	Line 1.C.	Net Transfers Prior-Year Balance, Actual (+/-)	Line 2.B.
Spending Authority from Offsetting Collections	Line 1.D.	Spending Authority from Offsetting Collections (Gross)	Line 3
Adjustments	Line 1.E.	Recoveries of Prior Year Obligations	Line 4 Plus
		Temporarily Not Available	Line 5 Plus
		Permanently Not Available	Line 6
Total Budgetary Resources	Line 1.F.	Total Budgetary Resources	Line 7
Obligations Incurred	Line 2.A.	Obligations Incurred	Line 8
Unobligated Balances - Available	Line 2.B.	Unobligated Balance	Line 9
Unobligated Balances - Not Available	Line 2.C.	Unobligated Balance Not Available	Line 10
Total, Status of Budgetary Resources	Line 2.D.	Total Budgetary Resources	Line 11
Obligations Incurred	Line 3.A.	Obligations Incurred	Line 8
Less: Spending Authority from Offsetting Collections and Adjustments Note: The adjustments included on line 12 are not the same as the adjustments on line 5. Line 12 does not include the accounts from the SF 133 lines 5 and 6.	Line 3.B. (reverse sign)	Earned (Collections and Receivable from Federal Sources)	Line 3.A. Plus
		Changes in Unfilled Customer Orders	Line 3.B. Plus
		Transfers from Trust Funds	Line 3.D. Plus
		Actual (Recoveries of Prior year Obligations)	Line 4.A.
Obligated Balance, Net - Beginning of Period	Line 3.C.	Obligated Balance, Net as of 1 October	Line 12
Obligated Balance Transferred, Net	Line 3.D.	Obligated Balance Transferred, Net	Line 13
Less: Obligated Balance, Net - End of Period	Line 3.E.	Obligated Balance, Net, End of Period	Line 14 (reverse sign)
Total Outlays	Line 3.F.	Outlays	Line 15

Section III. Reconciliation Requirements for the Annual Financial Statement and the Accounting Report (M) 1307 (Working Capital Fund Reporting Entities Only)

NOTE: There may be differences between the consolidated level of the Annual Financial Statement and the Accounting Report (M) 1307 because of eliminating entries for revenue, expenses, accounts receivable and accounts payable. The differences; however, should reconcile to the eliminating entry value.

Annual Financial Statement		Accounting Report (M) 1307	
Balance Sheet		Statement of Financial Position	
This reconciliation does not apply to agencies reporting below the appropriation level and where the fund-holder does not allocate cash down to the individual agencies within that fund			
Fund Balance with Treasury	Line 1.A.1.	Fund Balance with Treasury	Line 1
Accounts Receivable, Net	Line 1.A.3. plus Line 1.C.	Accounts Receivable, Net	Line 3
Total Assets	Line 2	Total Assets	Line 11
Accounts Payable	Line 3.A.1. plus Line 3.B.	Accounts Payable	Line 12.a.
Note: If there is a difference between the Annual Financial Statement value and the AR 1307 for accounts payable, check Standard General Ledger (SGL) 2130 , which is included in accounts payable on the Annual Financial Statement and it is included in the AR 1307, line 12.g.			
Total Liabilities	Line 4	Total Liabilities	Line 14
Unexpended Appropriations	Line 5.A.	Unexpended Appropriations	Line 15.a.
Cumulative Results of Operations	Line 5.B.	Invested Capital	Line 15.b. Plus
		Cumulative Results of Operations	Line 15.c. Plus
		Other	Line 15.d. Plus Line 15.e. Plus
		Future Funding Requirements	Transfer of collections and disbursements to departmental level as of September 30, If Applicable
		Net outlay transfer	

Annual Financial Statement		Accounting Report (M) 1307	
Total Net Position	Line 6	Total Net Position	Line 15.f. Plus
		Net outlay transfer	Transfer of collections and disbursements to departmental level as of September 30, if applicable
Total Liabilities and Net Position	Line 7	Total Liabilities and Net Position Net outlay transfer	Line 16 Plus
			Transfer of collections and disbursements to departmental level as of September 30, if applicable
Balance Sheet		Statement of Operations and Changes in Net Position, Part II – Changes in Net Position	
Total Net Position	Line 6	Total Equity - End of Period	Line 2
Statement of Net Cost		Statement of Operations and Changes in Net Position, Part I – Statement of Operations	
Total Program Cost	Line 1.C. Plus	Total Expenses	Line 10 Plus
Costs Not Assigned to Program	Line 2	Plus (Minus) Extraordinary Items	Line 12
Note: There may be a possible disconnect for the reconciliation of these two lines. The AR 1307, line 3 has SGL 5600, which is in the Change in Net Position, line 2.C., SGL 7110 and SGL 7193, which are in the Statement of Net Cost, line 1.B.1. and SGL 5910, which is in the Statement of Net Cost, line 1.D.			
Less Earned Revenue	Line 1.D.	Revenue from Sales of Goods and Services	Line 2 (reverse sign)
Note: There may be a possible disconnect for the reconciliation of these two lines. The AR 1307, line 3 has SGL 5600, which is in the Change in Net Position, line 2.C, SGL 7110 and SGL 7193, which are in the Statement of Net Cost, line 1.B.1. and SGL 5910, which is in the Statement of Net Cost, line 1.D.			
Statement of Changes in Net Position		Statement of Financial Position	
Transfers-In	Line 2.E. Plus	Funds (Cash) Transfer	Line 15.b.(3) Plus
Transfers-Out	Line 2.F.	Transfers In of Property	Line 15.b.(4) Plus

Annual Financial Statement		Accounting Report (M) 1307	
		Transfers Out of Property	Line 15.b.(5) Less
		FY99 (PY) Fund (Cash) Transfer	
		FY99 (PY) Transfers In of Property	Line 15.b.(3) Less
		FY99 (PY) Transfers Out of Property	
			Line 15.b.(4) Less
			Line 15.b.(5)
		Net outlay transfer	Plus Transfer of collections and disbursements to departmental level as of September 30, If Applicable
Statement of Changes in Net Position		Statement of Operations and Changes in Net Position, Part II - Changes in Net Position	
Prior Period Adjustments	Line 4	Plus (Minus): Prior Period Adjustments to Accumulated Operating Results	Line 1.B.(2)
Statement of Financing		Statement of Operations and Changes in Net Position, Part I - Statement of Operations	
Depreciation and Amortization	Line 3.A.	Depreciation and Amortization	Line 7

Section IV. Reconciliation Requirements for the Annual Financial Statements and the DD 725 (General Fund and Working Capital Fund Reporting Entities)

Annual Financial Statement		Other Financial Reports	
Statement of Budgetary Resources		Report on Reimbursements (DD 725)	
Spending Authority from Offsetting Collections	Line 1.D.	Total Reimbursements Anticipated	Column D

★Section V. Reconciliation Requirements Between Selected Accounts in Support of the Statement of Net Cost and Statement of Financing

Annual Financial Statement		Accounting Report (M) 1307	
Obligations		Cost and Capitalization	
Obligations incurred from the Statement of Financing, Line 1.A.	4902 plus 4901 Current year less 4901 prior year plus 4981 plus 4982 less	Costs, from Statement of Net Cost lines 1.A. and	6100 plus 6190 plus 6310 plus 6320 plus 6400 Funded plus 6500 plus 6600 plus 6710 plus 6900 plus
Adjustments from the Statement of Financing, Line 1.B.	4971 less 4972 plus		
Expenses not requiring budgetary resources from the Statement of Financing, Line 2.C.	6790	Capitalization, from Statement of Financing, line 2.B.	1310 Vendor overpayments related to capitalized assets plus 1350 Noncredit Reform loans plus
		Note: The FIN2B attribute used with the asset account identified the amount of the asset capitalized in the fiscal year.	1511 FIN 2B plus 1512 FIN 2B plus 1513 FIN 2B plus 1521 FIN 2B plus 1522 FIN 2B plus 1523 FIN 2B plus 1524 FIN 2B plus 1525 FIN 2B plus 1526 FIN 2B plus 1527 FIN 2B plus 1561 FIN 2B plus 1571 FIN 2B plus 1572 FIN 2B plus 1591 FIN 2B plus 1711 FIN 2B plus 1712 FIN 2B plus 1720 FIN 2B plus 1730 FIN 2B plus

Annual Financial Statement		Accounting Report (M) 1307	
			1740 FIN 2B plus 1750 FIN 2B plus 1810 FIN 2B plus 1820 FIN 2B plus 1830 FIN 2B plus 1840 FIN 2B plus 1890 FIN 2B plus 1990 FIN 2B
Offsetting Collections		Revenue	
Offsetting Collections, from Statement of Financing line 1.B.	4255 plus 4252 plus 4251 Current Year less 4251 Prior Year Note: If any 426*, 427*, or 428* accounts are used, they need to be added	Revenue, from Statement of Net Cost line 1.D.	5100 plus 5109 plus 5200 plus 5209 plus 5310 plus 5319 plus 5400 plus 5409 plus 5500 plus 5509 plus 5900 plus 5909
Unfunded Expenses		Change in Unfunded Liabilities	
Note: This reconciliation is not applicable to the Military Retirement Fund and the Education Benefit Trust Fund.			
Future funded expenses from Statement of Net Cost lines 1.A and 1.B.	6400 Unfunded plus 6800	Unfunded liabilities from Statement of Financing lines 2.C. and 4	2190 Current year less 2190 Prior year plus 2220 Current year less 2220 Prior year plus 2620 Current year less 2620 Prior year plus 2920 Current year less 2920 Prior year plus 2940 Current year less 2940 Prior year plus 2990 Current year less 2990 Prior year plus 2995 Current year less 2995 Prior year
Changes in actuarial liability		Changes in actuarial liability	
Changes in actuarial liability		Changes in actuarial liability	
Changes in actuarial liability from Statement of Net Cost lines 1.A. and 1.B.	7600	Actuarial liabilities from Statement of Financing lines 2.C. and 4	2610 Current year less 2610 Prior year plus 2690 Current year less 2690 Prior year